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CAYMAN ISLANDS

Working paper prepared by the Secretariat

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I. GENERAL 1/

1. The Territory of the Cayman Islands consists of three islands: Grand Cayman, Cayman Brac and Little Cayman. The latter two islands are also known as the Lesser Caymans. The Territory has a total area of approximately 260 square kilometres, divided as follows: Grand Cayman, about 195 square kilometres; Cayman Brac, 39 square kilometres; and Little Cayman, 26 square kilometres. George Town, the capital of the Territory, is located on Grand Cayman.

2. According to the results of the census of population and housing conducted in October 1989, the resident population of the Cayman Islands was 25,355, compared with 16,677 in 1979 when the previous census was taken. Some 13,202 persons, or 52 per cent of the residents of the Territory, were Caymanians by birth. 2/ The census showed that 94.6 per cent of the population reside on Grand Cayman; 1,445 people live on Cayman Brac and 33 persons live on Little Cayman. The population of George Town, the capital, is 12,972. 3/ The Cayman Islands Statistics Office estimated the total population of the Cayman Islands as of the end of 1990 at 27,980, of whom 18,440 (65.9 per cent) were Caymanians by birth. The birth rate in 1990 was estimated at 18 per 1,000, and the death rate at 4 per 1,000. 4/

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

3. An outline of the constitutional arrangements set out in the Cayman Islands (Constitution) Order, 1972, appears in the report of the Special Committee to the General Assembly at its twenty-eighth session. 5/ In brief, the Constitution provides for a Legislative Assembly consisting of the Governor (appointed by the Queen) who acts as President, 3 official members and 12 elected members. It also provides for an Executive Council consisting of the Governor as President, three official members and four members drawn from the elected members in the Legislature. The three official members of both bodies are the Financial Secretary, the Attorney General and the Administrative Secretary. Matters relating to the civil service, defence, external affairs and security are the responsibility of the Governor. The juridical system is based on English common law. There are two courts, the Summary Court (Lower Court) and the Grand Court.

B. Political parties and elections

4. There are no officially recognized political parties in the Cayman Islands. On 22 August 1991, however, Mr. Keeva Bush, a member of the Legislative Assembly, announced the formation of a political party named Cayman Islands Progressive Democratic Party and unveiled its Charter. He stated that "the party would come into full swing only if the proposed changes to the Cayman Islands Constitution would be implemented". He further

indicated that, after the adoption of the amended constitution, the party would be officially registered and would become open for membership. 6/

5. General elections for the elected seats in the Legislative Assembly are held every four years. The last general elections were held on 14 November 1988. The next general elections are scheduled for November 1992.

6. Preparations for the 1992 general elections began in November 1991. On 7 November 1991, the Governor appointed Mr. Kearney Gomez, Principal Secretary, with the portfolio of Communications, Works and Agriculture, and Mr. Orrett Connor, Deputy Chief Immigration Officer, as Supervisor of Elections and Deputy Supervisor of Elections, respectively. 7/

C. Administration

7. Routine government operations are administered by seven portfolios, three of which are headed by the official members of the Executive Council and four by the elected members. The portfolios of the official members are: Finance and Development, headed by the Financial Secretary; Legal Administration, headed by the Attorney General; and Internal and External Affairs, headed by the Administrative Secretary.

8. As a result of a reassignment of responsibilities by the Governor in the wake of the general elections of November 1988, the following departments have been entrusted to elected members: education, recreation and culture; tourism, aviation and trade; health and social services; and communications, works and natural resources. The elected members have responsibility for these portfolios, with the principal secretaries implementing the policies and overseeing the administration of the departments within their portfolios.

D. Constitutional review

9. In his speech from the throne, delivered on 16 February 1990, the Governor of the Cayman Islands stated that the Government had decided to request the United Kingdom of Great Britain and Northern Ireland to conduct a constitutional review in the Territory. 8/

10. In October 1990, the United Kingdom Government appointed the Chief of Justice of the Turks and Caicos Islands and a foreign and commonwealth adviser on dependent Territories as members of the Constitutional Commission. 9/

11. On 15 November 1990, the Legislative Assembly unanimously passed a motion for the establishment of a Select Committee on the Constitution consisting of all elected members of the Legislative Assembly. 10/

12. In January 1991, the members of the Constitutional Commission arrived in the Cayman Islands to start the review work. They stated that their

responsibilities were "to ascertain and evaluate opinion in the Cayman Islands upon possible paths of constitutional evolution". They also stated that "the Commission had nothing to do with independence or internal self-government". 11/

13. The Constitutional Commission stayed in the Territory from 7 January to 6 February 1991. During that time, the Commissioners held separate meetings with 92 persons representing 16 organizations and with 63 individual members of the public. Further, 120 persons attended public meetings held by the Commissioners in each district of the Territory. The Constitutional Commissioners held discussions with the Governor, official and elected members of the Executive Council, the Select Committee of the Legislative Assembly and other elected members of the Assembly. 12/ On 27 February 1991, the Commissioners submitted their report to the United Kingdom Secretary of State for Foreign and Commonwealth Affairs, who presented the report to Parliament in May 1991. On 12 June 1991, the Governor of the Cayman Islands released the report in the Territory.

14. The general considerations and special recommendations contained in the report of the Constitutional Commissioners 12/ are outlined below:

Governor

15. The present arrangements for the appointment of the Governor, the Acting Governor and the Governor's Deputy should remain the same. The subjects for which the Governor is responsible should not be allocated to any elected member.

Chief Minister

16. It is recommended that a Chief Minister be appointed by the Governor to provide political direction to the policies of the Government and to be a spokesman for the Government. The Chief Minister should be appointed by the Governor, acting at his discretion, from among the elected members of the Assembly. Concomitant with this appointment is the designation by the Governor of a Leader of the Opposition who should be the person best able to command the support of the members of the Assembly in opposing the Government. The Leader of the Opposition would be consulted by the Governor in cases stipulated in the Constitution.

Executive Council

17. The Executive Council would comprise the Governor, the Chief Minister, the Chief Secretary, the Financial Secretary, the Attorney General and four ministers. The report recommends a quorum of the Governor and five members.

Legislative Assembly

18. The number of the members of the Legislative Assembly should be increased to 18 members, of whom 3 would be official members and 15 elected members from

six constituencies in the Territory - two single-member constituencies and four multi-member constituencies. Constituency boundaries are set out in the Elections Law rather than in the Constitution. The prerogative to establish committees of the Assembly should be transferred from the Governor, with whom it currently rests, to the Assembly itself, which would establish any committee under standing orders. A quorum of the Assembly should be the Speaker (or the person presiding) and eight elected members.

Speaker

19. The Legislative Assembly should be presided over by the Speaker, rather than by the Governor. The Speaker is to be elected by the elected members of the Assembly and need not necessarily be a member of the Assembly but may not be an official member or an elected member of the Executive Council. In the absence of the Speaker, the Assembly should be presided over by the Deputy Speaker, who must be an elected member of the Assembly, elected following the same procedures as those governing the election of the speaker.

Public Service Commission

20. The power to make appointments to the Public Service Commission should continue to be vested in the Governor, who, in making appointments to the post of Head of Department and above, should be required to consult the Chief Minister.

Judiciary

21. The entire judicial structure, in particular, the Grand Court and the Appeal Court, should be established in the Constitution. In addition, the Constitution should contain provisions for the appointment of the Attorney General.

Future status of the Territory

22. The report states that Caymanians have expressed the sentiment that existing links with the United Kingdom should be maintained and that any constitutional change must not only preserve stability but must also stop appreciably short of full internal self-government, the penultimate stage before independence. There was no wish to alter the present status of the Cayman Islands on which much of the Territory's prosperity may depend.

Coming into force of the amended Constitution

23. The report recommends that the section on the increase in the number of elected members of the Legislative Assembly should be brought into force by April or May 1992. This would give time for the necessary consequential amendment to the Elections Law to be made prior to the preparations for the next general election due in November 1992. The remainder of the amended Constitution would then be brought into force immediately following the general election.

24. Following extensive consideration by the Select Committee of the Legislative Assembly of the recommendations contained in the report of the Constitutional Commissioners, the Assembly voted to accept the recommendations contained in the report at a special meeting held on 3 November 1991. 13/

E. External relations

25. The Government of the Cayman Islands cooperates directly with other Governments in the Caribbean and participates in regional conferences and projects for the Caribbean region established by Governments, international organizations and agencies. The Territory is a member of the Caribbean Development Bank (CDB).

26. In 1989, the United States Senate ratified the Mutual Legal Assistance Treaty, which was signed by the Governments of the Cayman Islands, the United States and the United Kingdom at George Town in 1986. The Agreement provides for the exchange of information on a range of crimes, broadly those that are extraditable between the Cayman Islands and the United States. 14/

27. The Cayman Islands, together with 18 other countries of the region, is a member of a Caribbean customs agreement entitled "The Memorandum of Understanding regarding Mutual Assistance and Cooperation for the Prevention and Repression of Customs Offences in the Caribbean Zone" aimed at preventing problems arising from the smuggling of funds, money laundering and false invoicing, as well as detecting various kinds of white-collar fraud and interdiction of illegal drugs. 15/

28. The Cayman Islands is a member of the Caribbean Organization of Supreme Audit Institution (CAROSAI), which provides assistance in the unification of auditing standards and computer audit to the members. The Territory has been selected as the venue for the third CAROSAI Congress to be held in 1994. In July 1991, Mr. Nicholas Treen, the Cayman Islands Auditor General, was elected as a member of the Executive Board and appointed as Chairman-elect of CAROSAI for the period 1994-1997. 16/

F. Public service

29. In 1990, the public service of the Territory comprised 1,899 established posts, compared with 1,784 in 1989. As of December 1989, 67.2 per cent of public service employees and 21 heads of departments out of 37 were Caymanians. 17/

30. All matters related to appointments, transfers, promotions, training, dismissals, retirement and disciplinary control of public officers are supervised by the Public Service Commission which advises the Governor on those questions.

31. During 1989-1990, the territorial Director of Training, in association with consultants from the United Nations Development Programme (UNDP),

organized a series of seminars on modern management aimed at providing public servants with adequate training. Over 220 of the senior management personnel attended the seminars, which were intended to be the first step in a long-term management training programme. The Training Unit, in cooperation with the Community College and the private sector, organized a three-year training programme for accounting technicians that was attended by 23 civil servants. In 1989, 31 civil servants pursued full-time overseas courses. Ten additional places for overseas training were made available in 1990. 18/

32. In his budget address to the Legislative Assembly on 15 November 1991, Financial Secretary T. C. Jefferson stated that the Government should address the issue of civil service performance evaluation and introduce measures aimed at improving the performance of civil servants. He further pointed out that the civil service employment performance measurement and assessment could not continue to focus only on the performance of individual civil servants but should rather be based on programme performance, programme management or particular institutional environment for programme performance.

33. Outlining the Government's policy regarding the civil service during 1992, the Financial Secretary said that it would aim at reducing further the annual growth of the civil service. During 1990-1992, the service is expected to grow by less than 4 per cent. The total cost of salaries and wages in 1992 is estimated to be CI$ 53.9 million, 19/ which represents 41 per cent of the total budget. The Financial Secretary announced that the Government had taken a decision to award an increase averaging 5 per cent in salaries, wages and pensions to civil servants. The overall cost of that increase would approximate CI$ 3 million.

III. ECONOMIC CONDITIONS

A. General

34. The major economic sectors of the Cayman Islands are the financial industry, tourism, construction, the real estate business and local industry. Tourism and international finance contribute significantly to the development of the Territory by providing substantial amounts of capital and foreign exchange. They constitute a major growth factor for other sectors of the economy, such as construction, real estate development, local services and the offshore insurance business.

35. Since the mid-1960s, the development of agriculture has lagged behind the rapidly growing sectors of tourism, international finance and construction; consequently, there is a substantial dependence on food imports. There is a small manufacturing sector, which the Government, in its efforts to diversify the economy, has tried to expand in recent years.

36. According to the Financial Secretary, in 1990, the gross domestic product of the Territory was CI$ 454 million, showing an 11.27 per cent growth in real terms over the 1989 indicator of CI$ 408.4 million.

37. In 1990, the rate of inflation measured by the consumer price index was 7.7 per cent, compared with the 1989 average of 6 per cent. The increasing inflationary pressure on the economy was attributed by the Financial Secretary to a scarce labour supply coinciding with rapid economic growth, as well as to a continued growth of consumer prices.

38. Following the economic slowdown in 1989, the overall demand rebounded during 1990-1991. During 1990, the import of consumer goods increased by 3.6 per cent, compared with a 2.8 per cent growth in 1989. The increase in the value of retail sales in 1990 was 6.5 per cent, compared with 3.5 per cent in 1989. Government consumption expenditure increased from 6.6 per cent in 1989 to 23.5 per cent in 1990. However, local investment in terms of domestic fixed capital formation fell by 6 per cent in 1990 compared with 1989. The book value of approved building and construction expenditure in 1990 increased by 0.2 per cent over the 1989 rate of 11.4 per cent. Those trends resulted in a 5.6 per cent growth rate of the domestic demand, compared with 3.1 per cent in 1989.

39. In his 1991 budget address to the Legislative Assembly, the Financial Secretary outlined the economic prospects for 1992-1993, stating that the short-term economic prospects for the Territory would depend, for the most part, on the conditions prevailing during that period in the world economy, particularly in the United States of America. He further stated that the Territory's overall economic growth in real terms was expected to be 3.3 per cent in 1992 and 2.6 per cent in 1993, compared with 0.3 per cent in 1990. That prognosis, however, depended on the dynamics of the current inflationary pressures on the economy. In his view, the unadjusted inflation rate could be expected to be 10.4 per cent in 1992.

B. Public finance

40. The financial year of the Cayman Islands begins on 1 April and ends on 31 March. Each year, the Financial Secretary delivers to the Legislative Assembly a statement of expenditure and revenue.

41. On 15 November 1991, the Financial Secretary delivered a budget address to the Legislative Assembly in which he presented the revised estimates of the public finance for 1991/92 and introduced the budget for 1992/93.

42. According to the Financial Secretary, the revised estimates for 1991/92 indicated a total government expenditure of CI$ 127.8 million, which exceeded the original estimate of CI$ 124.3 million by 2.8 per cent. Total revised ordinary revenue amounted to CI$ 109.5 million, which was 0.7 per cent below the original estimate of CI$ 110.3 million. The revised 1991/92 positive position on the surplus and deficit account of CI$ 2.1 million was higher than the originally estimated amount of CI$ 1.2 million.

43. The Financial Secretary stated that the general reserve balance at the beginning of 1991 stood at CI$ 12.0 million. Interest earned during 1991/92 was expected to total CI$ 1.0 million, which would increase the general

reserve balance to an estimated amount of CI$ 13.0 million by the end of the 1991/92 financial year. He proposed that, in 1992/93, the amount of CI$ 3.5 million be transferred from the general reserve to general revenue, thereby reducing the reserve position to CI$ 9.5 million.

44. At 1 January 1991, the total public debt stood at CI$ 30.6 million, of which CI$ 5.6 million represented the Central Government's debt and CI$ 25.0 million was self-financing debt owed by statutory authorities but guaranteed by the territorial Government. The principal repayments and re-evaluation on public debt in 1991/92 were expected to total CI$ 2.7 million, although about CI$ 1.4 million of that amount was to be reimbursed by the Civil Aviation Authority, the Port Authority and the Water Authority.

45. The Financial Secretary presented to the Legislative Assembly a budget amounting to CI$ 130.8 million for 1992/93.

46. Total recurrent expenditure for 1992/93 was proposed at CI$ 107.1 million, which represents a 2.3 per cent increase over the revised 1991/92 position. The revised recurrent expenditure for special expenditure was proposed at CI$ 1.7 million. Capital expenditure for 1992/93 includes capital acquisitions, CI$ 2.9 million, and capital development, CI$ 10.6 million. Proposed new services amounting to CI$ 7.5 million include the following: new personnel emoluments, CI$ 1.1 million; other new recurrent expenditure, CI$ 0.9 million; new capital acquisition, CI$ 0.5 million; and new capital development, CI$ 4.9 million. The total cost of the salaries, wages and pensions of the civil service in 1992/93 is estimated at CI$ 53.9 million, which is 41 per cent of the total budget.

47. The Financial Secretary outlined areas with revenue-generating potential in 1992/93, such as annual fees for registered companies, duty on diesel fuel, duty on alcoholic beverages and tobacco products, and planning fees. It was estimated that increasing those fees and duties should produce about CI$ 9 million to 10 million in additional revenue in 1992/93.

48. Concluding his budget address to the Legislative Assembly, the Financial Secretary recommended the Appropriations Bill (1992) 1991, proposing an estimated sum for recurrent, capital and new services of CI$ 122.5 million as well as the statutory provision for loan repayment, pensions and gratuities amounting to CI$ 8.3 million. The total proposed expenditure was CI$ 130.8 million.

49. On 11 December 1991, the Legislative Assembly passed the 1992/93 budget as proposed. 20/

50. On 12 December 1991, the Legislative Assembly passed, by a vote of 7 to 6, the Bill for the Fees Law (Miscellaneous Amendments) bringing into force the fee and duty increases proposed by the Financial Secretary in his budget address (see para. 48). The annual registration fees increased as follows: for a non-resident company - from CI$ 250 to CI$ 350; for a resident company - from CI$ 100 to CI$ 200; and for an exempt company - from CI$ 475 to CI$ 575.

The registration fee for a foreign company was raised from CI$ 600 to CI$ 850 and its annual fee from CI$ 300 to CI$ 500. The law also increased duties on fuel, alcoholic beverages and tobacco products. 21/

51. The Cayman Islands introduced its own currency in 1972. For information on the currency's parity and denomination, see A/AC.109/1019, paragraph 37. The total assets of the Cayman Islands Currency Board at the end of 1989 were CI$ 29.6 million.

52. The Territory remains free of income tax, including personal income and corporate taxes, and excise duty.

C. Land tenure, agriculture, livestock and fisheries

53. Land in the Territory is divided into commercial, residential and light and heavy industrial zones.

54. As a result of a cadastral survey, commenced in 1971, all land in the Cayman Islands is registered under a modified system, known as the Torrence system, the basic principle of which is that the land itself, rather than title deeds, is registered. This ensures that land dealings can take place efficiently and simply, although land certificates are often loosely described as "title deeds" to property. A stamp duty of 7.5 per cent is levied on the sale and exchange of land or other real estate. Stamp duties collected in 1989 amounted to CI$ 11.85 million, compared with CI$ 12.2 million in 1988. The Land Registry is responsible for the registration of all land transactions; the collection of duty stamps on land transfers, mortgages and other legal documents; and the maintenance of all land records and registry maps.

55. During 1989, the Land Registry processed 7,258 land transactions. The value of land transfers amounted to CI$ 124.27 million in 1989, compared with CI$ 131.08 million in 1988. The number of mortgages in 1989 was 2,799, which brought the amount of the secured debt to CI$ 76.34 million. 22/

56. The Department of Agriculture is responsible for the regulation and development of the agricultural sector. The Department provides services in agronomy, veterinary medicine and surgery, and sells supplies and equipment to users. The Government allows the duty-free importation of equipment and other items for agricultural use only. 23/

57. In 1990, the territorial Government initiated a five-year Agricultural Development Plan aimed at decreasing the dependency of the Cayman Islands on imported food. The Department of Agriculture concentrated its efforts on introducing several varieties of pawpaw, green peppers and other vegetables in the Territory. The Department was also seeking to improve the quality of its extension services through the training of its personnel. Those efforts resulted in an increase in the production of beef and vegetables. 24/

58. The recorded crop production statistics for 1990 were as follows: avocados, 2,631 kilograms; bananas, 119,297 kg; cassava, 8,618 kg; mangoes, 1,361 kg; papayas, 3,175 kg; peppers, 907 kg; plantains, 21,319 kg; pumpkins, 8,618 kg; sweet potatoes, 907 kg; tomatoes, 24,494 kg; water melons, 1,361 kg; yams, 3,629 kg; and leafy vegetables, 10,433 kg. 25/

59. Livestock in 1990 was estimated at 1,901 head of cattle, 264 pigs, 257 goats and 1,800 poultry. 26/

60. The Farmers' Market operations, run by the Cayman Islands Cooperative Society Ltd., are subsidized by the Government. The subsidy covers staff salaries as well as the majority of operating expenses. During the period under review, improved accounting and payment procedures encouraged more farmers to channel their produce through the Farmers' Market. Overall, the quality of produce was high and the prices were competitive with those of imported produce. 24/

D. Tourism

61. Tourism continues to be a dominant sector of the economy and a major source of foreign exchange of the Territory.

62. Tourist arrivals increased significantly during 1990. In 1990, air arrivals reached 253,200, a 21 per cent increase over 1989. In 1991, however, air arrivals decreased by 6.2 per cent compared with 1990, owing mainly to the reduction in the number of visitors from the United States. In 1990, cruise-ship calls totalled 294 and cruise-ship passengers numbered 361,700, which represented a 10 per cent decrease in cruise-ship arrivals compared with 1989. During 1991, the number of cruise-ship passengers arriving in the Territory reached 474,747, showing a substantial increase over 1990. 27/

63. Visitors arriving in the Cayman Islands by air in 1990 originated from the following countries: United States, 203,400 persons (79 per cent); Canada, 10,200 (4 per cent); United Kingdom, 7,700 (3 per cent); other European countries, 5,400 (2 per cent); Japan, 1,100 (1 per cent); Jamaica, 17,600 (7 per cent); other Caribbean countries, 1,900 (1 per cent); and the rest of the world, 5,700 (3 per cent). 28/

64. In 1990, there were 21 hotels in the Territory with a total capacity of 3,220 beds, compared with 20 and 2,476, respectively, in 1989. Hotel room occupancy in 1990 was 69 per cent, compared with 67 per cent in 1989. The average length of stay in 1990 was 5.0 days, compared with 4.7 days in 1989. 29/ An improvement in the standard of amenities was reported, with all hotels having received such certification on the first inspection in 1990. The Tourism Department exercised tighter controls over the inspection procedures and increased the number of inspectors with a view to instituting inspections every quarter rather than annually. 30/

65. The year 1990 marked a significant increase in tourist spending. Estimated total spending by visitors arriving in the Cayman Islands by air totalled CI$ 257 million, compared with CI$ 180 million in 1989; expenditure by visitors arriving by cruise ships, however, decreased from CI$ 18 million in 1989 to CI$ 17 million in 1990. 31/

66. During the period under review, the territorial Government continued with its efforts to boost the tourist industry. In March 1991, a Caymanian delegation, headed by Governor Alan Scott, visited Florida in the United States, to promote the Territory's tourist industry. The Governor and the other members of the delegation conducted a publicity campaign calling on the news media and participating in other promotional activities. 32/

67. Representatives of the Cayman Islands tourist industry attended the eighth Japanese Conference of International Travel, held at Tokyo from 25 to 29 November 1991. Mr. Rudi Selzer, the Director of Tourism, said that the Territory's continued efforts to penetrate the Japanese tourist market were expected to result in increased tourist arrivals from Japan. 33/

68. In May 1991, a delegation of Caymanian officials travelled to Italy for a one-week tour to promote tourism. Specific objectives of the tour included negotiations with Italian airlines and intensified advertising of the Cayman Islands in the Italian press. 34/ It is expected that the number of tourists from Italy will increase to about 2,000 in 1992, from about 800 in 1990. 35/

E. Financial sector

69. The banking and trust industry has expanded considerably since its inception in the Territory in the early 1960s and has transformed the Cayman Islands into one of the world's leading offshore financial centres.

70. As of July 1991, the total number of bank licences issued reached a total of 548, an increase of 10 over 1989. 36/ Forty-six of the world's 50 largest international banks are licensed in the Territory. 30/ Countries with a banking presence in the Cayman Islands total 60, with the largest share coming from the United States (11 per cent), followed by Switzerland (8 per cent) and Denmark (5 per cent). 37/ Total assets of licensed banks as at the end of 1989 were estimated at US$ 359.7 billion.

71. In 1989, approximately 1,104 persons, of whom 77 per cent were Caymanians, were directly employed in the banking industry. 37/

72. In March 1989, the Legislative Assembly unanimously adopted a new banking law replacing the first banking law, which had come into force in 1966. The new law gives the Government stronger and more clearly defined powers to regulate the international banking sector of the Territory's economy. It outlines a number of policy guidelines and increases fines for contraventions. 38/

73. In 1991, the Legislative Assembly adopted a bill entitled the Exempted Limited Partnership Law, which is to replace the Partnership Law, which came into force in 1983. The new legislation guarantees that the exempt limited partners will have a tax exemption from the Cayman Islands Government for the next 50 years. Since North American and Japanese companies, particularly, have a preference for limited partnership investment, the new law is expected to attract additional inflow of capital from those regions. 39/

74. The total number of offshore and domestic insurance companies licensed in the Cayman Islands at the end of 1991 was 510, with combined assets of CI$ 75 billion. 40/

75. The number of captive insurance companies licensed in the Territory increased to 367 by the end of 1991. Their total assets amounted to CI$ 4.5 billion. 41/

F. Transport and communications

76. Transport, communications and other basic facilities continued to be of paramount importance to the economy of the Territory in terms of uniting the three islands and servicing the tourist industry and other activities of the business community.

Air

77. Cayman Airways Ltd. (CAL), which 's wholly owned by the Government, continued to provide regular services between the Cayman Islands and Miami, Houston, Atlanta and Tampa in the United States, as well as Montego Bay and Kingston in Jamaica. It also provided charter services for the winter tourist season. In 1989, CAL inaugurated non-stop service to New York. 42/

78. The Miami-Grand Cayman route continued to be the most profitable for CAL, providing it with 51.1 per cent of its passenger revenues and 53.5 per cent of the total passenger traffic in 1991. 43/

79. On 20 August 1991, Air Cayman Ltd., a new airline company, was registered in the Cayman Islands as an ordinary resident company. Air Cayman Ltd. has three planes in operation, two Boeing 737-200 and one Boeing 737-300. The three aircraft were leased by Air Cayman Ltd. from a company in Los Angeles. 44/

80. In February 1991, the Cayman Islands and Cuba inaugurated charter services between the Owen Roberts International Airport and Cayo Largo, a Cuban duty-free resort island. 45/

81. In December 1991, United Airlines, a United States airline company, took over Pan American's former Miami-Grand Cayman route. According to press reports, the service from Miami to Grand Cayman was scheduled to be put in operation in 1992. 46/

Sea

82. All ports in the Territory come under the control of the Port Authority, a corporate body set up in 1976 and operating without governmental subsidy. The territorial Government guarantees CDB loans, but it is the Port Authority that repays the loans. In addition to managing all ports in the Islands, the Authority has other functions, including the establishment of markers and lighthouses, the control of berths, the establishment and control of transit sheds, the loading and unloading of vessels and the supervision of territorial waters. According to press reports, in 1990, Port Authority revenues reached CI$ 975,000. 47/

83. The increasing use of containers assists in expediting loading and unloading, although their storage puts a strain on the amount of space available at the George Town facility. 48/ During 1990, the port on Grand Cayman handled a total of 136,600 tons of cargo, compared with 142,400 in 1989. The portion of freight containerized was 92.4 per cent. 49/

84. The Territory is not served by any scheduled passenger lines but a number of locally owned or locally registered vessels provide cargo service between the Cayman Islands and Miami and Tampa, Florida, the United States; as well as the Cayman Islands and Kingston, Jamaica, and Costa Rica. 50/

85. The Government is currently considering a number of possibilities involving the private sector in the construction of a special cruise-ship dock in the Territory. Red Bay on Grand Cayman is considered to be an ideal site for the new cruise-ship harbour. 51/

Roads

86. The road infrastructure comprises 80 kilometres of roads connecting all districts on Grand Cayman, 34 kilometres of usable roads on Cayman Brac and a road on Little Cayman; roads on Grand Cayman and Little Cayman are fit for motor travel. The territorial Government continued its efforts to upgrade the road infrastructure in accordance with the Master Ground Transportation Plan adopted in 1987. Five of the "immediate action" projects recommended by the Plan, including major construction at the intersections of Eastern Avenue/Crewe and Eastern Avenue/West Bay Road, were completed during the period under review. New traffic signal control equipment was installed at these and three other locations, improving traffic flow through these junctions. 52/

87. In 1990, the total number of vehicles licensed in the Cayman Islands reached 14,136, compared with 12,664 in 1989. Traffic accidents increased from 855 in 1989 to 859 in 1990. 53/

Postal services

88. The Cayman Islands' postal needs are served by a General Post Office located at George Town, Grand Cayman, along with six sub-post offices and three agencies on Grand Cayman; a branch office at State Bay and five sub-offices on Cayman Brac; and an agency on Little Cayman. Mail at the General Post Office maintained a steady flow and there was an increase in the number of expedited mail service items received from overseas during the year. With no house-to-house delivery of mail, most people in the Cayman Islands receive their mail through private mail boxes, which remain in short supply at the General Post Office. Supplementing this, mail may also be received at any of the post offices if addressed to "General Delivery". 54/

Telecommunications

89. Cable and Wireless (West Indies) Ltd. has been providing inter-island and international communications for the Cayman Islands since 1966. At the end of 1990, the Cable and Wireless telephone system served 19,394 stations. A computerized telephone exchange installed at George Town in 1983 provides international direct dialing to 110 countries. Communication is achieved through links with the United States, Canada, the United Kingdom, Bermuda and Jamaica. 55/

90. The number of telex service customers decreased to 146 in 1990 after the introduction of facsimile machines by Cable and Wireless. 55/

G. Construction

91. The Central Planning Authority is responsible for regulating the development of the construction industry in the Territory. In 1990, construction activity was sustained at the 1989 level, with emphasis on the building of apartment/condominium and other residential projects. For the first three quarters of 1990, approved applications totalled 559, which were valued at CI$ 135 million, compared with 475 applications valued at CI$ 106 million, for the same period in 1989. The interval between the approval of the application and the start of the construction is approximately eight months. 30/

H. Utilities

92. Electricity in the Territory has been provided by Caribbean Utilities Company, Ltd. (CUC), under an exclusive licence first granted by the Government in 1966 and renewed in 1986 for a further 25 years. CUC is a public company with 456 shareholders. In 1989, its total assets stood at CI$ 39.6 million, with revenues reported at CI$ 20.8 million. CUC now provides service to some 11,000 consumers. In 1990, the total installed capacity of its generating equipment was 59.5 megawatts. 56/

93. In 1990, total potable water supply in the Cayman Islands reached 1.2 billion litres, compared with 1.0 billion litres in 1989. 57/ Central De-Sal, Ltd., a sister company of CUC, was awarded a contract by the territorial Government in 1986 to supply water to the Cayman Islands. The franchise for the piped water-supply for the Seven Mile Beach area is held by the Cayman Water Company, Ltd., which has a desalination plant at Governor's Harbour.

I. Assistance from the United Nations system of organizations

94. Within the United Nations system, UNDP continues to be the main source of technical assistance to the Territory. For the fourth programming cycle (1986-1990), the UNDP Governing Council had approved a total of US$ 462,538, which includes US$ 22,000 carried over from the third programming cycle. The Government of the Territory is pursuing a programme aimed at economic diversification to reduce dependence on the two main sectors of tourism and offshore financing. In implementing this strategy, a major concern of the Government is the training of nationals to fill the numerous posts currently held by expatriates. The main focus of UNDP assistance is human resources development, through which training in a wide variety of areas will be provided to nationals. The second country programme (January 1987-December 1991) therefore addressed previously unmet training needs in certain priority areas, such as hydrogeology, physical planning, civil aviation, technical drawing, architectural design, building technology and electrical engineering. For 1987 and 1988, assistance from UNDP to the Cayman Islands totalled US$ 350,000, of which the sum of US$ 147,000 was spent during 1987 and US$ 203,000 during 1988. The Cayman Islands Government became a signatory in August 1987 to the UNDP regional project for cultural heritage and development.

IV. SOCIAL CONDITIONS

A. Labour

95. The labour force in the Territory is made up of both Caymanians and expatriates from countries in Central America, as well as from Canada, Jamaica, the United Kingdom, the United States and elsewhere. Foreign workers must acquire work permits from the Immigration Department in order to work in the Territory. As of November 1990, the total labour force of the Territory was 15,846. As of March 1991, there were 5,852 gainful occupational licences in effect and the number of dependants accompanying those licence holders totalled 1,877. In addition, there were 1,816 short-term non-renewable permits in effect, which were issued mainly to nationals from Jamaica and other Central American countries. The geographical composition of the non-Caymanian labour force by origin was as follows: North America, 1,545 persons; Jamaica and Honduras, 1,217; other West Indian and Central American countries, 1,102; United Kingdom and Ireland, 951; Canada, 587; and elsewhere, 450. The breakdown of all non-Caymanians employed in the Territory, by

occupational group, was as follows: professional, 1,480; skilled, 3,694; semi-skilled and unskilled, 2,494 persons. The breakdown of licence holders by sector of the economy was as follows: services, 2,175; domestic, 1,442; construction, 1,338; tourist industry, 1,000; finance, 800; education, religion, recreation, culture and sports, 784; and agriculture, 129. 58/

96. According to press reports, a new set of directives to the Caymanian Protection Board, aimed at controlling the number of work-permit holders allowed in the Cayman Islands, has been issued. 59/ The new directives confer preferential treatment to work-permit applicants married to, or descended from, Caymanians; in addition, they require the Protection Board to give Caymanian status to residents who, under the old law, lost it upon reaching 18 years of age. The first amendment grants the Board discretionary powers in implementing the 1987 directive of issuing permits in such a way that the number granted to the nationals of one region of the world should not exceed the number granted to workers from another region by more than 20 per cent. Five geographical regions were listed for purposes of work permits, namely, the West Indies and Central America, the United Kingdom and Ireland, the United States, Canada and elsewhere.

97. On 2 December 1991, a member of the Legislative Assembly expressed a number of concerns regarding the labour situation in the Territory. He pointed out that most vacancies continued to be filled by the foreign labour force. Out of 2,744 vacancies advertised during 1991, 2,376 were filled by work-permit holders. He further stated that, despite the fact that normal average wages were determined by the territorial Government at CI$ 4.25 per hour, some employees of Cayman Brac hotels were paid only CI$ 1.75 per hour. He called upon the Government to set the labour situation right. 60/

B. Public health

98. Health care in the Cayman Islands is provided by the Health Services Department, which is responsible for all government health care, including public health services and services by private practitioners. The Health Practitioners Board is charged with overseeing the standard of health care provided in the Cayman Islands. There are two divisions of public health services: one encompasses community health service, primary care through the district health centres, and functions specified in the health laws, programmes which are supervised by the Medical Officer of Health; the other division covers the environmental health concerns of the Territory. In 1990, the Government's current expenditure on public health was CI$ 13.9 million and capital expenditure was CI$ 1.2 million, compared with CI$ 10.3 million and CI$ 1.1 million, respectively, in 1989. 61/

99. As of December 1990, the ratio of health professionals practising in the Cayman Islands per thousand population was as follows: doctors, 1 to 5; and nurses, 4 to 8. In 1990, 42 doctors, 8 dentists, 135 nurses and 53 other health professionals were practicing in the Territory. 62/ Specialists' services in the field of surgery, gynaecology and obstetrics, paediatrics,

internal medicine, anaesthesiology, public health, orthopaedics, ophthalmology, otorhinolaryngology (ear, nose and throat) and periodontology are available locally. In addition, visiting specialists provide services in the field of dermatology, cosmetic surgery, colorectal surgery, ophthalmology, otorhinolaryngology, faciomaxillary surgery, orthopaedics and urology. 63/

100. The Government operates the 52-bed (including 7 nursery beds) Cayman Islands Hospital and an 8-bed extended care unit at the Pines Retirement Home on Grand Cayman, and the 10-bed Faith Hospital on Cayman Brac. In addition, primary care is provided through four district health centres on Grand Cayman. There was sustained utilization of district health centres.

101. Life expectancy at birth is 74.5 years. During 1990, total live births were 490, with 4 neonatal deaths. The crude birth rate rose to 17.9 per 1,000 persons in 1990 from 17.2 in 1989. The death rate among residents was 4.0 per 1,000. 64/ The major causes of death were diseases of the circulatory system, mainly heart disease and malignant neoplasms, especially cancer of the lung and breast. The incidence of communicable diseases was very low. The incidence of sexually transmitted diseases is of concern, however, and educational and surveillance activities are being intensified to assist in their control. 65/

102. As of April 1991, a total of 20 persons in the Cayman Islands tested positive for the human immunodeficiency virus (HIV). Ten persons developed acquired immune deficiency syndrome (AIDS), with eight cases ending in death. In 1989, the territorial Government launched a medium-term plan for 1989-1991 for the development of a health education unit and intensified AIDS educational activities. The plan, with a cost of US$ 263,642, was funded by the World Health Organization (WHO). AIDS-related statistics are released by the Government on a quarterly basis. In 1991, a confidential AIDS screening programme, free of charge, was launched in the Territory. 66/

103. The Pan American Health Organization (PAHO), in cooperation with WHO, continued to lend its support to primary health-care activities and the development of health services. A PAHO consultant from Jamaica continued providing engineering assistance in the consolidation of certain environmental health programmes of the Health Services Department. The Caribbean Epidemiology Centre provided in-service training programmes through workshops. Assistance was also provided through the Caribbean Food and Nutrition Institute for the development of life-style programmes. 67/

C. Educational conditions

104. Education is free and compulsory for Caymanian children between 4 years, 9 months and 16 years of age. There are nine government and six church-sponsored primary schools. There are two government high schools, a new middle school and two private secondary schools.

105. The territorial Government continued to place high priority on education. The 1990 education budget was CI$ 17.7 million (current expenditure amounting to CI$ 14.8 million and capital expenditure to CI$ 2.9 million), compared with CI$ 11.3 million (CI$ 10.4 million and CI$ 0.9 million, respectively) in 1989. 61/

106. The territorial Government continued its efforts to upgrade the educational facilities. New facilities provided at the Cayman Islands High School included a new modern home economics block and a new science laboratory. Plans have been drawn up for a science block at the Cayman Islands High School and a technology block at the Cayman Brac High School. Other construction included a new classroom block at Savannah Primary School, and plans have been drawn up for a new infant school to accommodate the growing intake at the John A. Cumber Primary School at West Bay. 68/

107. The Community College of the Cayman Islands is a government-financed, post-secondary and adult education facility, whose board is comprised of government and public representatives. The first board took office in January 1989. The College has been occupying temporary quarters in the Tower Office Building and a nearby government compound at George Town.

108. The work of the College is organized in three departments, namely, business studies, hotel studies and technology. The College continued to offer full-time, one-year certificate programmes in business studies, including accounting, typewriting and word-processing; hotel studies, including front-office and restaurant management and room service; and technology, including electricity/electronics, auto-mechanics, design and construction. The College also offered on a full-time basis a two-year diploma programme in hotel studies, which included hotel supervision and accounting. Part-time programmes included banking, accounting, computer studies, courses leading to various General Certificate of Education ordinary and advanced-level subjects, and other courses of general interest.

109. The International College of the Cayman Islands, a private independent institution of higher education, with a campus at Newlands, Grand Cayman, and a campus at Miami, Florida, United States, is accredited as a senior college by the Accrediting Commission of the Association of Independent Colleges and Schools, Washington. It first registered with the Education Department of the Cayman Islands in 1970 and has been operating since then. The International College of the Cayman Islands is chartered in the State of Florida as a degree-granting institution and is authorized by that state's Board of Independent Colleges and Universities to offer courses leading to certificates and associate's, bachelor's and master's degrees.

110. The institution offers a Master of Science degree in management, Bachelor of Science and Associate of Science degrees, and one certificate. The Bachelor of Science degree offers several concentrations within its six majors: business administration, office administration, community services, elementary education, secondary education (business subjects) and liberal arts studies.

111. The Cayman Islands Law School offers an opportunity to Caymanians to qualify locally in a profession that plays an important role in the islands' modern development. The Attorney-at-Law course, which forms the main part of the law school's curriculum, is of five years' duration, with examinations at the end of each year. In addition, an opportunity to study law is offered through a wide variety of courses, including a two-year diploma course in legal studies intended to enhance career and promotional opportunities for Caymanians.

112. In August 1991, a government-launched educational review was completed. The review includes the following main recommendations: increasing the school term by one year; establishing one additional high school and two additional primary schools; abolishing the middle school; modifying the compulsory school age to between 4 years, 9 months and 16 years, 9 months; setting a limit of 500 pupils on the roll in each high school and 300 in each primary school; conducting Cayman Islands Achievement Tests for 8-, 11- and 14-year olds; designating the Community College to handle all post-school education; establishing a broad education policy. 69/ On the basis of the educational review, the Government prepared a five-year education plan, which was presented in 1991 to the Legislative Assembly. 70/

D. Crime and crime prevention

113. The overall number of reported crimes in the Territory in 1990 was 2,821, compared with 2,634 in 1989. The number of drug offences increased from 433 in 1989 to 546 in 1990. 71/ During 1990, 17 per cent of those arrested were non-Caymanians; in the same year, 2,314 adults and 38 juveniles in the Cayman Islands had criminal records. 72/

114. The Northward Prison, the only correction facility in the Territory, has a capacity of 163 prisoners. The prison population increased four times during the period 1981 to 1991. As of July 1991, there were 213 prisoners at the Northward Prison. 73/

115. In April 1991, the Government of the United Kingdom announced that, for the Cayman Islands and other British Caribbean Territories, the death penalty for murder would be abolished and replaced with life imprisonment. 74/

Notes

1/ The information contained in the present paper has been derived from published reports and from information for 1990 and 1991 transmitted to the Secretary-General on 24 July and 30 December 1991 by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

2/ The Caymanian Compass, 4 July 1990; see also Living in the Cayman Islands (Cayman Islands Government Information Services, 1990), pp. 5 and 6.

Notes (continued)

3/ The Cayman Islands Annual Report, 1989, published by the Government of the Cayman Islands (George Town, Grand Cayman, British West Indies), pp. 155 and 156.

4/ The Caymanian Compass, 11 February 1991.

5/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. V, chap. XXIV, annex, sect. B, paras. 5-13.

6/ The Caymanian Compass, 23 August 1991.

7/ Ibid., 25 November 1991.

8/ Ibid., 19 February 1990.

9/ Ibid., 11 October 1990.

10/ Ibid., 16 November 1990.

11/ Ibid., 8 January 1991.

12/ Cayman Islands, Report of the Constitutional Commissioners 1991, Sir Frederick Smith and Mr. Walter Wallace, Cm 1547 (London, Her Majesty's Stationery Office, 1991).

13/ The Caymanian Compass, 4 November 1991.

14/ The Cayman Islands Annual Report, 1989, p. 25.

15/ The Caymanian Compass, 16 November 1989.

16/ Ibid., 22 July 1991.

17/ Ibid., 29 March 1989.

18/ The Cayman Islands Annual Report, 1989, p. 163.

19/ The local currency is the Cayman Islands dollar (CI$). Under the articles of agreement of the International Monetary Fund (IMF), parity of the Cayman Islands dollar to the United States dollar is fixed at CI$ 1.00 = US$ 1.20.

20/ The Caymanian Compass, 12 December 1991.

21/ Ibid., 13 December 1991.

22/ The Cayman Islands Annual Report, 1989, p. 47.

Notes (continued)

23/ Ibid., p. 58.

24/ Caribbean Development Bank, Annual Report, 1990, pp. 27-28.

25/ Cayman Islands, Statistical Abstract 1990, published by the Government Statistics Office, Grand Cayman, British West Indies (April 1991), p. 4.

26/ Ibid., p. 5.

27/ Cayman Islands, Statistical Abstract 1990, p. 102; Caribbean Update, March 1992.

28/ Cayman Islands, Statistical Abstract 1990, p. 103; Caribbean Update, March 1992.

29/ Cayman Islands, Statistical Abstract 1990, p. 106.

30/ Caribbean Development Bank, Annual Report, 1990, p. 28.

31/ Cayman Islands, Statistical Abstract 1990, p. 107.

32/ The Caymanian Compass, 26 March 1991.

33/ Ibid., 8 November 1991.

34/ Ibid., 3 May 1991.

35/ Ibid., 10 June 1991.

36/ Ibid., 24 July 1991.

37/ The Cayman Islands Annual Report, 1989, p. 33.

38/ The Caymanian Compass, 16 March 1989.

39/ Ibid., 29 July 1991.

40/ The Cayman Islands Annual Report, 1989, p. 34; Caribbean Insight, February 1992.

41/ The Cayman Islands Annual Report, 1989, p. 35; Caribbean Insight, February 1992.

42/ The Cayman Islands Annual Report, 1989, p. 101.

43/ The Caymanian Compass, 16 September 1991.

44/ Ibid., 26 September 1991.

Notes (continued)

45/ Ibid., 25 February 1991.

46/ Ibid., 19 December 1991.

47/ Ibid., 20 September 1991.

48/ The Cayman Islands Annual Report, 1989, p. 103.

49/ Cayman Islands, Statistical Abstract 1990, p. 114.

50/ The Cayman Islands Annual Report, 1989, p. 104.

51/ The Caymanian Compass, 31 May 1991.

52/ The Cayman Islands Annual Report, 1989, p. 105.

53/ Cayman Islands, Statistical Abstract 1990, p. 111.

54/ The Cayman Islands Annual Report, 1989, pp. 105 and 106.

55/ Cayman Islands, Statistical Abstract 1990, p. 117.

56/ Cayman Islands, Statistical Abstract 1990, p. 121.

57/ Ibid., p. 122.

58/ The Caymanian Compass, 6 June 1991.

59/ Ibid., 12 May 1989.

60/ Ibid., 3 December 1991.

61/ Cayman Islands, Statistical Abstract 1990, p. 41.

62/ Ibid., p. 64.

63/ The Cayman Islands Annual Report, 1989, p. 80.

64/ Cayman Islands, Statistical Abstract 1990, p. 77.

65/ The Cayman Islands Annual Report, 1989, p. 81.

66/ The Caymanian Compass, 8 April 1991.

67/ The Cayman Islands Annual Report, 1989, p. 87.

68/ The Cayman Islands Annual Report, 1989, p. 68.

69/ The Caymanian Compass, 20 August 1991.

Notes (continued)

70/ Ibid., 28 June 1991.

71/ Cayman Islands, Statistical Abstract 1990, pp. 94-95.

72/ The Caymanian Compass, 4 July 1991.

73/ Ibid., 10 July 1991.

74/ The Virgin Islands Daily News, 2 April 1991.

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A

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31 March 1992

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION
WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION ON THE GRANTING
OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

PITCAIRN

Working paper prepared by the Secretariat

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PITCAIRN 1/

I. GENERAL

1. Pitcairn is a Non-Self-Governing Territory in the South Pacific administered by the United Kingdom of Great Britain and Northern Ireland. It comprises four islands situated about midway between Australia and South America at 25 degrees of latitude south and 130 degrees longitude west. Only one of the islands, also known as Pitcairn, is inhabited. It is approximately 3 kilometres long and 1.5 kilometres wide and has a land area of 4.5 square kilometres (452 hectares). Adamstown is the only settlement. The three uninhabited islands are Ducie, Henderson and Oeno.

2. Although there is evidence of previous occupation by Polynesian peoples, Pitcairn was uninhabited when a group of castaways from the HMS Bounty arrived there in January 1790. The group comprised 9 mutineers and 19 Polynesians, and today Pitcairn is inhabited by their descendants. The population has been declining since 1937, when it was approximately 200. According to the latest report submitted by the administering Power, the population in 1990 was 59, composed of 51 Pitcairners and 8 expatriates.

3. The Pitcairners have their own dialect, a mixture of eighteenth century English and Polynesian, with the former predominating since most of the island's contacts are with English-speaking countries.

4. In 1990, the Island Magistrate, Mr. Brian Young, a seventh-generation descendant of one of the HMS Bounty mutineers, visited London at the invitation of the Government of the United Kingdom in connection with the two hundredth anniversary of the mutiny. 2/

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

5. Since the independence of Fiji in 1970, overall responsibility for the Territory has been vested in the United Kingdom High Commissioner to New Zealand, who is also designated Governor of Pitcairn. The Governor, Mr. David Moss, visited the island in 1991. 3/

6. Pitcairners manage their internal affairs through an Island Council consisting of 10 members: the elected Island Magistrate, who serves for a three-year term and acts as Chairman with both executive and judicial powers; three elected councillors, who serve for one-year terms; the Island Secretary, who is a public officer and serves ex officio; one member appointed by the Governor; two members chosen by the elected members; and two non-voting advisory members (one chosen by the Governor and the other by the rest of the Council). The Island Council normally meets in the first week of each month. Liaison between the Governor and the Island Council is conducted by a Commissioner for Pitcairn, usually based in the premises of the British Consulate-General in Auckland.

7. There is an Internal Committee composed of an elected chairman and as many other members as the Island Council chooses to appoint each year. The Committee organizes and implements the public work programme for which all able-bodied men are liable.

8. The Island Court consists of the Island Magistrate and two councillors. Its jurisdiction is limited to offences against the Island Code that are committed on Pitcairn or within its territorial waters by residents of the Territory, and to civil actions. In instances where no local law is applicable, the law of the United Kingdom is applied so far as circumstances permit. There is provision for appeal to the Supreme Court of Pitcairn, which the Governor has the power to constitute and which has jurisdiction in cases outside the competence of the Island Court. The Island Court is rarely required to sit. Only two cases which resulted in a conviction and a fine have been tried before the Court in the past 20 years. 4/

Consideration by the General Assembly

9. In a statement to the Fourth Committee of the General Assembly on 23 October 1991, 5/ the representative of the United Kingdom said that respect for the wishes of the inhabitants of the dependent Territories remained the guiding principle of his Government's policy. The United Kingdom Government continued to take seriously its obligations under the Charter of the United Nations to develop self-government in the British dependent Territories and to ensure that their constitutional frameworks continued to meet the wishes and aspirations of the people. His Government considered it wrong to equate self-determination solely with independence and to forget that other options were available.

10. On 11 December 1991, in its decision 46/421 on the question of Pitcairn, which was adopted by consensus, the General Assembly reaffirmed the inalienable right of the people of Pitcairn to self-determination in conformity with the Declaration on the Granting of Independence to Colonial Countries and Peoples, which fully applied to the Territory. The Assembly further reaffirmed the responsibility of the administering Power to promote the economic and social development of the Territory and urged the administering Power to continue to respect the very individual lifestyle that the people of the Territory had chosen and to preserve, promote and protect it.

III. ECONOMIC CONDITIONS

11. The economy of Pitcairn is based on subsistence fishing and gardening and the sale of handicrafts and postage stamps. Since the population has been relatively stable, land use has varied little in recent years. Apart from the Adamstown settlement, which occupies approximately 24 hectares, land is classified as suitable for gardens or arable farming (117 hectares), forest (77 hectares) and non-arable cliffs and rock ledges (121 hectares). Land is family-owned and usually passed on to successive generations, but the law allows for leasehold arrangements and "borrow" land. The Lands and

Administration of Estates Ordinance provides, inter alia, for ownership and registration of land.

12. During 1990/91, Pitcairn had total revenues of $NZ 1,112,600 6/ and expenditures of $NZ 1,015,100, resulting in a surplus of $NZ 97,500.

13. Pitcairn's main sources of income were the sale of postage stamps, as well as interest and dividends. Stamp sales increased to $NZ 529,000 ($NZ 487,100 in 1989/90) whereas interest and dividends declined to $NZ 273,600 ($NZ 290,400 in 1989/90). Other sources of revenue included coin sales amounting to $NZ 52,300 and miscellaneous revenue totalling $NZ 257,700.

14. The Island Council plays the major role in identifying areas requiring the expenditure of public funds and in determining the priority assigned to each. The main expenditures during 1990/91 were as follows (corresponding figures for 1989/90 are given in parentheses): administration, $NZ 339,800 ($NZ 413,800); postal operations, $NZ 305,000 ($NZ 232,000); public works and marine operations, $NZ 195,650 ($NZ 201,600); education, $NZ 83,750 ($NZ 64,400); medical services, $NZ 51,600 ($NZ 72,100); broadcasting, $NZ 30,700 ($NZ 38,600); and agriculture, $NZ 8,600 ($NZ 9,400).

15. Most imports are for home use, consisting mainly of cereals, eggs, fats, meats, milk, sugar, machinery, lubricating oil and building materials. Exports consist of handicrafts, fruits and vegetables, which are sold mainly to passing vessels. There are no customs tariffs in the Territory.

16. Responsibility for agriculture is vested in the Head Forester, who has two part-time assistants. Livestock consists of some 100 goats and poultry. A tractor with a driver is available for hire to assist in garden cultivation. Seeds, fertilizers and pesticides are available at cost from the forestry department. Bees provide small quantities of honey for domestic consumption; their pollination of tree and garden crops has increased production.

17. Subsistence fishing is one of the main occupations of the islanders. Under the Fisheries Zone Ordinance of 1980, Pitcairn declared a 200-mile fisheries zone around the island in the hope of increasing its income by selling fishing licences. However, owing to Pitcairn's remoteness, very few agreements have been concluded so far. During the past four years, only three fishing licences were issued to foreign fishing vessels.

18. The most common species of fish caught around Pitcairn are rock cod, grey mullet, red snapper and mackerel. Lobsters and other shellfish are also caught and sold to passing ships.

19. Electricity is supplied by government-owned diesel generators. Two 50 KVA generators supply power for public lighting (including navigational lights) as well as private homes in Adamstown. In addition, the Government operates two smaller generators (9.25 KVA and 8 KVA) to meet school and telecommunications requirements.

20. Pitcairn is surrounded by very rough seas and has no sheltered bay for anchorage. Frequent difficulties encountered in unloading cargo and passengers led the administering Power to construct a jetty at Bounty Bay in 1977.

21. Vessels of one shipping company make approximately four scheduled calls per year on their run between New Zealand and Panama. Other cargo vessels make unscheduled calls. During the period under review, 41 cargo vessels, 4 naval vessels, 2 cruise ships, 7 other vessels and 11 yachts stopped at Pitcairn.

22. In the past, several projects, including the construction of an airstrip for light aircraft, have been examined by the administering Power in order to improve Pitcairn's communications with the outside world. However, after weighing the high costs of construction and maintenance of a runway against its limited use, it was decided that an airstrip could not be justified. 7/

23. There are approximately 6.4 kilometres of dirt roads on Pitcairn which are maintained by the community. In 1989, there were about 30 vehicles on the island, most of them three- and four-wheeled motor cycles. 8/

24. Postal facilities are available. The radio-telephone and telegraph service linking the Territory with the outside world is reportedly in the process of being replaced by a satellite system operated by the Telecom Corporation of New Zealand Ltd. 9/ There are local telephone connections between private houses, the school and some public buildings.

IV. SOCIAL CONDITIONS

25. According to the annual report of the administering Power, there are no social problems of a racial or cultural nature on Pitcairn. Women and men have equal status; there are personal and corporate freedoms and Pitcairn's legislation meets the requirements of United Nations conventions on human rights.

26. The population of the Territory is self-employed. Allowances and wages are paid to members of the community who participate in local government activities and who perform communal services. The current rate of payment for casual work, usually for the local administration, is $NZ 3.25 per hour.

27. The quality of housing varies. Homes built or renovated since 1984, when a subsidized building scheme was introduced, have concrete or particle board floors, and indoor bathrooms and kitchens.

28. A consumer's cooperative society, established in 1967, owns the only shop in the Territory and provides basic foodstuffs and staples and a limited supply of clothing, footwear, hardware, kitchenware, stationery and toiletries.

29. During the period under review, one doctor served as Medical Officer in the Territory for four months; for the remainder of the year, a registered nurse was responsible for health care. Medical advice and assistance may also be obtained from surgeons on passing ships. There is a well-equipped government clinic run by a registered nurse in cooperation with a church organization. Dental officers visit the Territory occasionally.

30. The Government meets the cost of medical supplies and drugs. If medical treatment is required outside Pitcairn, compassionate grants or loans are available from public funds. There are no prevalent diseases, although a small number of people are receiving treatment for diabetes. Most of the population has been immunized against poliomyelitis. A widow's benefit scheme was introduced in 1983/84. Pensions are paid to persons who are 65 years of age and over.

V. EDUCATIONAL CONDITIONS

31. There is one school operated and financed by the Government. Education is free and attendance is compulsory for all children between 5 and 15 years of age. During the period under review, the school roll was composed of eight girls and five boys. Instruction is in English and is based on the New Zealand standard curriculum. Post-primary education is conducted at the school by correspondence courses arranged through the New Zealand Department of Education. During 1990, two post-primary students attended school in New Zealand at the Government's expense.

32. By arrangement with the International Division of the New Zealand Department of Education, a trained teacher (education officer) is seconded to the Territory for two-year terms. Internal examinations are conducted by the education officer, and the Governor may prescribe external examinations and arrange for inspections.

33. The school premises comprise two classrooms, a handicrafts workshop and a cloakroom, all set around a recreation ground. School equipment includes a film projector, video and television, record player, piano, typewriters, photocopier, tape recorder, sewing machines, sports equipment and a variety of tools for technical training. The school also has a small library.

Notes

1/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 31 July 1991 for the year ending 31 March 1991.

2/ The Times (London), 31 July 1990.

3/ New Zealand Herald (Aukland), 3 January 1992.

Notes (continued)

4/ A Guide to Pitcairn (published by the Government of the Islands of Pitcairn, Henderson, Ducie and Oeno, Auckland, 1990), p. 50.

5/ A/C.4/46/SR.11, para. 9.

6/ The local currency, the Pitcairn dollar, is at par with the New Zealand dollar; during the period under review, $NZ 1.00 was equivalent to approximately US$ 0.55.

7/ See A/AC.109/977, para. 19.

8/ A Guide to Pitcairn (published by the Government of the Islands of Pitcairn, Henderson, Ducie and Oeno, Auckland, 1990), p. 45.

9/ New Zealand Herald (Auckland), 3 January 1992.